

## Message Text

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ORIGIN EB-08

INFO OCT-01 EUR-12 IO-14 ISO-00 STR-07 TRSE-00 COME-00  
LAB-04 OIC-02 AF-10 ARA-11 EA-10 NEA-11 SOE-02  
AID-05 CEA-01 CIAE-00 DODE-00 DOE-15 H-01 INR-10  
INT-05 L-03 NSAE-00 OMB-01 PM-05 OES-09 SP-02  
SS-15 ACDA-12 NSCE-00 SSO-00 ICAE-00 INRE-00 /176 R

DRAFTED BY EB/ITP:WBARRACLOUGH  
APPROVED BY EB/ITP:WBARRACLOUGH  
STR:RHEIMLICH  
EUR/RPE:RLAMANTIA  
TREAS:JRAY  
COMM:FABBUHL  
LABOR:JPAPOVICH  
EB/OT/STA:JSSPIRO

-----007375 281811Z /44

O R 281755Z SEP 78  
FM SECSTATE WASHDC  
TO ALL OECD CAPITALS IMMEDIATE  
INFO AMEMBASSY BELGRADE  
USMISSION GENEVA

C O N F I D E N T I A L STATE 247227

USEEC/USOECN ALSO FOR EMBASSY

E.O. 11652: GDS

TAGS: ETRD, OECD

SUBJECT: INTERNATIONAL STEEL AGREEMENT -- NON-MEMBER  
PARTICIPATION

REF: A) PARIS 31369 B) PARIS 31439 C) STATE 235157

1. AS REPORTED REF B, OECD HEADS OF DELS WERE VIRTUALLY  
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UNANIMOUS IN OPPOSING SECRETARY GENERAL VAN LENNEP'S  
PROPOSAL FOR A "NEGATIVE CONSENSUS" PROCEDURE IN OECD  
COUNCIL TO HANDLE INVITATIONS TO NON-OECD COUNTRIES  
FOR PARTICIPATION IN AN OECD STEEL COMMITTEE. WE CONTINUE  
TO BELIEVE THAT "NEGATIVE CONSENSUS" PROCEDURE IS BEST WAY  
TO ENSURE THAT NON-OECD COUNTRY PARTICIPATION IN STEEL  
COMMITTEE IS NOT THWARTED BY THOSE WHOSE OPPOSITION

IS A MATTER OF PRINCIPLE AND NOT BASED ON MERITS OF INVITATION TO SPECIFIC NON-OECD COUNTRIES. ALTHOUGH AD HOC STEEL GROUP HAS AGREED THAT A LIMITED NUMBER OF NON-OECD COUNTRIES SHOULD PARTICIPATE, THERE IS NO ASSURANCE THAT THIS WOULD BE THE CASE WHEN DECISION IS BEFORE THE OECD COUNCIL OR THAT COUNCIL WOULD ACT EXPEDITIOUSLY IN DECIDING ON INVITATIONS. AS U.S. HAS MADE CLEAR BILATERALLY WITH OTHER KEY OECD DELEGATIONS OUR OWN PARTICIPATION IN AN OECD STEEL COMMITTEE IS CONTINGENT UPON ITS

HAVING THE POSSIBILITY OF PARTICIPATION BY NON-OECD COUNTRIES. WE ARE PLEASED THAT OTHERS APPEAR TO SHARE OUR BELIEF THAT SUCH PARTICIPATION BY A LIMITED NUMBER OF NON-OECD COUNTRIES WOULD BE HIGHLY USEFUL. HOWEVER, WE ARE NOT PREPARED TO MOVE TO FINAL ESTABLISHMENT OF THE STEEL COMMITTEE BASED ON STATEMENTS OF SYMPATHETIC CONSIDERATION. SPECIFICALLY, WE DO NOT WISH TO FALL INTO THE TRAP THAT ONCE THE STEEL COMMITTEE IS ESTABLISHED, THE ISSUE OF NON-OECD COUNTRY PARTICIPATION COULD BE DEBATED IN THE COUNCIL INTERMINABLY.

2. SINCE WE ARE ANXIOUS TO HAVE THE COUNCIL DECIDE ON THE ESTABLISHMENT OF THE STEEL COMMITTEE AS SOON AS POSSIBLE, WE BELIEVE IT IS NECESSARY NOW TO FIND A SOLUTION TO GETTING THE ASSURANCE WE NEED OTHER THAN THROUGH THE "NEGATIVE CONSENSUS" APPROACH. WE BELIEVE CONFIDENTIAL

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THIS IS POSSIBLE IF OTHER DELS ARE PREPARED TO AGREE THAT AT THE SAME TIME THE COUNCIL DECIDED TO SET UP THE STEEL COMMITTEE THE SECRETARY GENERAL WILL BEGIN EXPLORING THE RECEPTIVITY OF KOREA, BRAZIL, MEXICO AND INDIA TOWARD INVITATION TO PARTICIPATE. IT WOULD BE UNDERSTOOD THAT IF THE SECRETARY GENERAL'S INFORMAL SOUNDING WITH ALL OR ANY OF THESE COUNTRIES IS POSITIVE, HE MAY ISSUE AN INVITATION ON BEHALF OF THE COUNCIL. FOR FUTURE INVITATION TO ANY ADDITION NON-OECD COUNTRY, WE ARE PREPARED TO ACCEPT THE NORMAL PROCEDURES FOR COUNCIL APPROVAL.

3. ACTION ADDRESSEES ARE REQUESTED TO APPROACH APPROPRIATE HOST GOVERNMENT OFFICIALS AND SUGGEST SOLUTION SET OUT IN PARGRAPH TWO ABOVE. YOU SHOULD BEAR IN MIND THAT OPPOSITION TO PARTICIPATION OF NON-OECD COUNTRIES APPEARS IN SOME COUNTRIES TO ARISE MORE IN FOREIGN MINISTRIES THAN IN THE CONCERNED FUNCTIONAL MINISTRY. HENCE, APPROACHES TO BOTH MAY BE NEEDED. IF QUESTION IS RAISED ABOUT INVITING ADDITIONAL COUNTRIES BEYOND THE FOUR MENTIONED ABOVE, YOU SHOULD DISCOURAGE EXTENDING THE LIST SINCE (A) THESE ARE THE MAJOR NON-OECD COUNTRIES

WITH SIGNIFICANT STEEL INTERESTS, AND (B) THERE ALREADY APPEARS TO BE A CONSENSUS IN THE AD HOC GROUP THAT IF INVITATIONS ARE TO BE ISSUED, THESE ARE THE APPROPRIATE COUNTRIES.

4. SINCE OECD COUNCIL WILL PROBABLY TAKE UP THIS ISSUE IN THE SECOND WEEK OF OCTOBER, YOU SHOULD SEEK A QUICK RESPONSE TO OUR PROPOSAL.

5. FOR ATHENS: AS REPORTED REF B GREEK AMBASSADOR AT HEADS OF DEL MEETING OBJECTED TO POINT IN DRAFT COUNCIL DECISION STATING THAT STEEL COMMITTEE CAN MAKE RECOMMENDATIONS TO ITS MEMBERS. AS SECRETARIAT MADE CLEAR IN MEETING, THERE IS AMPLE PRECEDENT FOR SUCH A PROVISION  
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AND AS FORMULATED BY SECRETARIAT IN DRAFT DECISION, SUCH RECOMMENDATIONS WOULD NOT HAVE ANY LEGALLY BINDING EFFECT. THE NEED FOR THIS PROVISION IS NOT ONLY TO GIVE STEEL COMMITTEE AN APPROPRIATE DEGREE OF AUTONOMY CONSISTENT WITH ITS STATUS UNDER PART II OF THE OECD BUDGET BUT ALSO TO ALLOW COMMITTEE CONCLUSIONS TO APPLY TO ANY PARTICIPATING OECD NON-MEMBER SINCE CLEARLY THE LATTER CANNOT HAVE ANY RELATIONSHIP DIRECTLY TO THE OECD COUNCIL. REQUEST YOU RAISE THIS POINT WHILE MAKING YOUR DEMARCHE MAINLY TO ENSURE THE MATTER IS GIVEN ATTENTION IN GOG. CHRISTOPHER

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Control Number:** n/a  
**Copy:** SINGLE  
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**Disposition Case Number:** n/a  
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